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MASS. COMPENSATION FOR INDUSTRIAL ACCIDENTS,
COMMISSION ON.

HOUSE *Doc.* . . . No. 300

The Commonwealth of Massachusetts.

REPORT OF THE COMMISSION ON COMPEN-
SATION FOR INDUSTRIAL ACCIDENTS.

To the Honorable Senate and House of Representatives.

The Commission on Compensation for Industrial Accidents, appointed by His Excellency the Governor in pursuance of a resolve approved June 7, 1910, has the honor to submit herewith a partial report of its work and of the investigations which it has undertaken under the instructions contained in said resolve. The resolve reads as follows:—

RESOLVES OF 1910, CHAPTER 120.

Resolved, That the public good requires a change in the present system of determining the compensation of employees for injuries sustained in industrial accidents, and that the commonwealth ought to provide different and more suitable relief; and

Resolved, That the governor, with the advice and consent of the council, be authorized to appoint a commission of five persons, citizens of the commonwealth, one of whom shall be designated as chairman, for the purpose of investigating the effect of the present laws relating to the liability of employers for injuries received by employees in the course of their employment. The commission shall investigate other laws and systems in operation in other states and countries, shall correspond or confer with committees and commissions in other states considering the same subject, and shall draft an act for the compensation of employees for industrial accidents. The commission shall be provided with suitable quarters in the state house or elsewhere. It may employ all necessary clerical or other assistance and may incur such reasonable expense,

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including travelling expenses, and shall receive such remuneration, as may be approved by the governor and council. The commission shall report in print the draft of the act and a compilation of the data and statistics and such other information as the commission may be possessed of as a result of its investigation and study, on or before the second Wednesday in January in the year nineteen hundred and eleven, and the powers of said commission shall terminate on that date. The total expense to be incurred under this resolve shall not exceed the sum of ten thousand dollars. The provisions of section twenty-one of chapter three of the Revised Laws shall not apply to the appointments to be made under this resolve. *[Approved June 7, 1910.]*

His Excellency the Governor, on the 8th of June, 1910, appointed as members of the commission the following: James A. Lowell of Newton, chairman; Amos T. Saunders of Clinton; Magnus W. Alexander of Lynn; Henry Howard of Brookline; and Joseph A. Parks of Fall River.

The commission completed its organization by the election of Mr. Saunders as secretary and the appointment of Carroll W. Doten as chief investigator, and immediately began a careful study of the literature of the subject, which was found to be very extensive. This work was greatly facilitated by the State Librarian, who prepared extensive bibliographies and placed the legislative reference department of the library at the disposal of the commission. As soon as practicable a plan of work was mapped out and preliminary investigations were started. This plan included a thorough study of the different systems of insurance and compensation which have been enacted in various parts of the world. While the laws of all countries were given due consideration, particular attention was paid to those of England and Germany. The commission was aided in its study of the German system by Richard C. Krogmann of Hamburg, Ger., president of the See-Berufsgenossenschaft, and Frederick L. Hoffman of Newark, N. J.

Nearly thirty countries and self-governing colonies have largely done away with their old laws of liability based upon the fault or negligence of the employer, which were not essentially different from those now in operation throughout the United States. Under one form or another these countries have adopted new methods of providing for the victims of industrial accidents by means of fixed scales of compensation, largely irrespective of negligence. These new laws are not intended to be punitive in any sense, but are

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founded on the principle that the whole community for which production is carried on should bear the burden of all the costs of production; in other words, that the cost of an industry in life and limb should first be met by the employer or by some system of insurance, and then charged against society as consumers of the product, in the same way as the depreciation of machinery and other costs of production are provided for.

No two countries have precisely the same method of distributing this burden or of providing for the victims; but all the different plans are modifications or combinations of three distinct systems, which are typified by the compensation act of Great Britain, the compulsory mutual insurance system of Germany and the compulsory State insurance of Norway. A brief description of these three systems will therefore afford a fair idea of all the others.

THE ENGLISH COMPENSATION ACT.

Under this act the employer in every employment, since July 1, 1907, must provide compensation in cases of injury to an employee due to an accident arising out of or in the course of his employment, except where such accident was due to the serious and willful misconduct of the injured person; and even then the employer must pay in the event of death or serious and permanent disablement. Compensation must also be provided when death or disability results from certain industrial diseases. Compensation is not payable for the first week after the accident, unless the disability continues for more than two weeks, in which case it dates from the first day.

In non-fatal accidents the injured person is entitled to receive compensation equal to 50 per cent. of his loss of wages, but not more than £1 (\$4.87) a week, during disability.

In case death results from the injury, dependents wholly dependent upon the earnings of the deceased get at least three years' earnings, or £150 (\$730) (whichever sum is the larger), but not more than £300 (\$1,460). Partial dependents get such a sum as may be agreed upon or allowed by referee or court.

The amounts payable in cases of death are required to be paid into court in a lump sum, and are "invested, applied or otherwise dealt with by the court in such manner" as it deems best for the benefit of the persons entitled thereto. It is also provided in the

act that weekly payments which have continued for at least six months may be redeemed, at the request of the employer, by the payment of a lump sum sufficient in amount to purchase an annuity for the injured employee equal to 75 per cent. of his weekly compensation. Such lump sum may be "invested or otherwise applied for the benefit of the person entitled thereto," as the "committee or arbitrator or judge of the county court" may order. It is also possible for the employer and injured employee to agree upon a lump-sum settlement.

Contracting out, or the substitution of voluntary schemes by mutual agreement between the employer and his workmen, is permitted under certain restrictions.

The distinctive feature of the English system is that the burden of providing compensation falls directly upon the individual employer, as no method of insurance is provided for or required by law.

THE GERMAN SYSTEM OF MUTUAL INSURANCE.

This system includes three kinds of insurance; namely, sickness, accident, and old-age and invalidity insurance. The last form, while closely related to the other two in the German scheme, may be left out of account for the purposes of this discussion. The other two are indissolubly joined together so far as the benefits are concerned, though entirely separate in organization and management.

The sickness insurance is compulsory for all workmen engaged in manufacture and trade whose incomes do not exceed 2,000 marks (\$476) a year. The fund for this insurance is derived from contributions, one-third by employers and two-thirds by employees, and is administered by local mutual associations, in the management of which both parties share in proportion to their contributions. Out of this fund medical attendance is provided in cases of accident as well as sickness, and funeral expenses and the greater part of the compensation for the first thirteen weeks of disability due to accident are paid.

Accident insurance for every employee whose yearly earnings do not exceed 3,000 marks (\$714) must be provided at the expense of the employer in manufacturing, carrying, transportation, forestry, allied trades and agriculture. If wages exceed 1,500 marks (\$357), only one-third of the excess above that amount is taken

into account in computing pensions. This insurance is carried by mutual associations of employers in the same or allied industries, and is provided without contributions by the employees. Each employer contributes to the cost according to the size of his establishment, — that is, the amount of his pay roll, — and the risk in his particular branch of the industry. In some cases individual establishments where many accidents occur are charged an extra premium.

Every injured employee receives compensation from the third day after the accident during the entire period of his disability, in proportion to the degree of disability. The usual amount for complete disability is $66\frac{2}{3}$ per cent. of his earnings before the accident, though in certain cases full wages are allowed. This compensation is provided as follows: 50 per cent. of wages is paid from the third to the ninetieth day out of the sickness insurance fund; from the twenty-ninth to the ninetieth day, $16\frac{2}{3}$ per cent. is added from the accident insurance fund; and after the ninetieth day, the whole $66\frac{2}{3}$ per cent. is drawn from the latter fund.

In case of death, funeral expenses equal to twenty times the daily wages of the deceased — not less than 50 marks (\$11.90) — are paid; and if dependents are left, pensions are provided for them out of the accident fund. Such pensions are limited in total to 60 per cent. of the earnings of the deceased. For example, the widow receives 20 per cent., and each child under fifteen years of age 20 per cent., up to the total for all dependents of 60 per cent. In case of remarriage, the widow receives three times the amount of her annual pension as a lump-sum settlement.

The characteristic feature of the German system is compulsory mutual insurance.

STATE INSURANCE IN NORWAY.

Employers in certain lines of industry are compelled to provide accident insurance for their employees. This insurance must be taken in the central insurance office of the State. The expenses of management of this office are met by general taxes, and premiums are charged in accordance with the risk of each line of industry, to meet the requirements for pensions and other payments on account of injuries to workmen.

Out of this insurance fund the injured workman receives medical attendance and surgical treatment, and 60 per cent. of his loss of wages, but not less than 3 crowns (80 cents) a week nor more than 15 crowns (\$4) a week during disability. Such payments, however, do not cover the first four weeks of disability; if the injured employee is a member of a sickness insurance society, he receives these benefits from that source during the first four weeks; otherwise, the employer is required to provide the same during this period.

In case of death, funeral expenses to the amount of 50 crowns (\$13.40) are paid, and pensions are provided for the dependent relatives. The widow receives 20 per cent. of the wages of the deceased, and each child under fifteen years of age 15 per cent., the total payments not to exceed 50 per cent. If the widow remarries, she receives a lump-sum payment equal to three times the amount of her annuity. Other relations share these benefits under certain conditions, but in no case is the total payment in excess of 50 per cent.

The characteristic feature of the Norwegian system is compulsory State insurance; but such insurance does not relieve the individual employer entirely of the burden of providing compensation, as is the case under the German plan. He may be called upon to pay benefits directly to his injured employee during the first four weeks of disability.

NEW YORK COMPENSATION ACTS.

The New York State Legislature at its last session passed two important laws, which went into effect Sept. 1, 1910. The first is a compulsory compensation act, which applies to certain dangerous employments; and the second is an amended employers' liability law, covering all other employments, and providing for contracting out by the employers if they can reach an agreement with their employees to substitute a voluntary scheme, giving certain stipulated amounts in accordance with the scale of compensation contained in the compulsory act.

The Compulsory Law (Chapter 674).

This law resembles the English compensation act. It applies only to employees engaged in manual or mechanical labor in the following employments: —

1. The erection or demolition of any bridge or building in which there is, or in which the plans and specifications require, iron or steel frame work.

2. The operation of elevators, elevating machines or derricks or hoisting apparatus used within or on the outside of any bridge or building for the conveying of materials in connection with the erection or demolition of such bridge or building.

3. Work on scaffolds of any kind elevated twenty feet or more above the ground, water or floor beneath, in the erection, construction, painting, alteration or repair of buildings, bridges or structures.

4. Construction, operation, alteration or repair of wires, cables, switchboards or apparatus charged with electric currents.

5. All work necessitating dangerous proximity to gunpowder, blasting powder, dynamite or any other explosives, where the same are used as instrumentalities of the industry.

6. The operation on steam railroads of locomotives, engines, trains, motors or cars propelled by gravity or steam, electricity or other mechanical power, or the construction or repair of steam railroad tracks and road beds over which such locomotives, engines, trains, motors or cars are operated.

7. The construction of tunnels and subways.

8. All work carried on under compressed air.

This law provides the following scale of compensation:—

In non-fatal accidents, the injured employee is entitled to a weekly compensation, after the end of the second week of disability, of 50 per cent. of his average weekly earnings; but such compensation shall not exceed \$10 a week, nor extend over more than eight years from the date of the accident. If the injury results in partial incapacity only, earnings after the accident are to be taken into account, and in no case is the employee to receive as compensation more than his actual loss of wages.

In case death results from the injury, the widow or next of kin, if wholly dependent on his earnings, is entitled to a sum equal to twelve hundred times the daily earnings of the deceased employee, but not more than \$3,000; if such dependents are only partially dependent, they are to receive such a sum as may be determined according to the injury which they have sustained.

If the injured employee leaves no dependents, the employer is required to pay the reasonable expenses of his medical attendance and burial, not exceeding \$100.

If the injury was due to the serious and willful misconduct of the injured employee, the employer is not liable under this act. The law does not provide for, nor prohibit, contracting out; and

makes no special provision in case of the remarriage of the widow, as is done in most European laws.

This act does not repeal or disturb the common-law rights of the employee or the employers' liability law of the State ; but permits the employee, or his executor or administrator in case of his death, to elect to bring suit under any law existing prior to the passage of this act, or to claim the compensation provided by the act itself, but not both.

The characteristic feature of this law, which involves the principles of the English compensation act, is its application to extra hazardous employments only. This limitation was evidently intended to avoid constitutional difficulties, the assumption being that the industries selected come clearly within the power of the State to regulate. The validity of this law is now being tested in the courts of the State.

Employers' Liability Law (Chapter 352).

This act amended the previously existing employers' liability law of the State, so as to materially increase the employer's liability for accidents to his employees and to lessen the effectiveness of his defences. He is made responsible for defects in his "plant," this word having been added to the phrase "ways, works and machinery." It is supposed that this word includes simple tools and temporary structures, like scaffolds, ropes, etc., which were not covered by "ways, works and machinery." The employer is also made liable for the negligence of any person in his service who is "intrusted with any superintendence" or "authority to direct, control or command any employee in the performance of the duty of such employee." He is also liable for injuries sustained by the employees of an independent contractor or sub-contractor who may contract to do part of his work.

Under this law, the employee is presumed to have assumed only the necessary risks of the occupation; that is, risks "inherent in the nature of the business which remain after the employer has exercised due care in providing for the safety of his employees, and has complied with the laws affecting or regulating such business or occupation for the greater safety of such employees." He is not presumed to assume the risk if he continues to work under defective conditions, even if he knew of such defects, and failed,

within a reasonable time, to report them to the employer or some one in authority over him, provided that "such defect or negligence was known to the employer . . . or could have been discovered by such employer by reasonable and proper care, tests or inspection."

The law places the burden of proving contributory negligence upon the employer.

It is further provided in this law that the employer may enter into a contract with any of his employees to pay a certain scale of compensation for the death or disability of such employee, due to accident; and that during the continuance of such contracts the employees consenting thereto shall have no other remedy in case of injury but that provided in such contract, except where the injury is due to the failure of the employer to obey safety regulations provided by law, or to the serious and willful misconduct of the employer. The benefits provided are the same as those contained in the compulsory act (chapter 674).

It is manifestly the purpose of this law to induce employers to accept the principle of compensation in dealing with injured employees.

CONFERENCES.

Realizing from the start that the most serious objection to the passage of a compensation act in this State would be the possible handicap which it might impose upon the industries of the State in competition with those of other States not having such advanced legislation, the commission proceeded at once to carry out the instructions contained in the resolve in regard to conferring with "committees and commissions in other states and countries." The members of the commission, immediately after their appointment, proceeded to Chicago and attended a two days' conference of State commissions, held under the auspices of the American Association for Labor Legislation. On July 30 the commission visited New York, and had an all day's conference with members of the New York Commission on Employers' Liability. On October 20 the members of the commission attended a meeting of the Liability Insurance Association in New York, at which addresses were made by experts on various features of compensation laws and liability insurance.

The most important conference attended, however, was one called by this commission to meet in Chicago, November 10-12.

At this conference representatives of eight State commissions and of the United States Employers' Liability Commission, the Commissioner of the United States Bureau of Labor, a special committee representing the Conference of Commissioners on Uniform State Laws, and a representative chosen by the Governor of Connecticut, devoted three days to a discussion in great detail of thirteen fundamental propositions submitted by the Massachusetts Commission. The chairman of the Massachusetts Commission was temporary chairman, and the secretary of this commission was elected permanent secretary, of this conference.

At the close of the conference, which was marked by considerable unanimity of opinion, it was voted to publish the stenographic report of the meetings, for the use of the commissions and other organizations represented. These proceedings have been published by the secretary in a volume of 362 pages, which will be of great value to such commissions and legislative committees as may hereafter have occasion to study this question.

PUBLIC HEARINGS.

The commission has held public hearings in the following cities: Boston, afternoon and evening, September 29; Lowell, afternoon and evening, October 7; Springfield, afternoon and evening, October 14; Pittsfield, afternoon, October 15; Fall River, afternoon and evening, October 27; New Bedford, afternoon and evening, October 28; Boston, afternoon, November 2; Boston, afternoon and evening, December 28; and Worcester, evening, December 29. The last two hearings were held after a synopsis and draft of a tentative act had been given out for public discussion and criticism. All of the hearings were extensively advertised in the newspapers, and a large number of invitations were sent to representatives of labor organizations and employers' associations, as well as to individuals who were known to be interested in the subject, or who were believed to be qualified to give valuable advice and assistance to the commission.

INVESTIGATIONS.

In determining the character and scope of investigations to be undertaken, the commission was influenced by two considerations, namely: (1) the manifest intent of the General Court, as expressed

in the resolve; and (2) the limited time at the disposal of the commission. The resolve states in explicit terms "that the public good requires a change," and that "more suitable relief" ought to be provided for injured employees. These statements have been so abundantly justified by the testimony of practically every one who has appeared before the commission at its public hearings, that there appeared to be no good reason for securing statistical evidence along this line.

The need of change being admitted, the next point to be determined statistically was the probable cost of such a compensation or insurance system as the commission might feel inclined to recommend for adoption. A careful study of the investigations of other commissions and committees disclosed the fact that, so far as American experience is concerned, no data were available which would be of any real value in estimating costs for Massachusetts industries. Several investigations were found to be in progress in various European countries, but the results were not likely to be available in time to be of service to this commission, even if such data could be relied upon as a safe basis of inference as to the probable effects of similar laws in this country. Consequently, the commission found that it must depend upon its own efforts in this matter, and therefore turned its attention directly to the available sources of information within the Commonwealth.

Whatever comment is made herein concerning the departments of the State government is not intended as a criticism of their methods. The statistics that they have obtained were not designed for such purposes as this commission has in view. The same conditions have been found to exist in other States and in foreign countries, except where a special system of reports has been devised in anticipation of or as a result of the passage of a compensation act.

A study of the statistics collected and compiled by various State departments and commissions yielded meager returns. The only figures covering all industries are those prepared by the Secretary of the Commonwealth. These relate to deaths only, and are obtained from reports of city and town clerks and medical examiners. No use could be made of these statistics, however, because the classification adopted in tabulating deaths due to violent causes does not distinguish employers from employees. Even if this dis-

tion had been made, there would have been further difficulty in separating the industrial cases from the non-industrial. Moreover, in order to be of much use as a basis for estimating the cost of compensation, the wages of the deceased and the existence or non-existence of dependents in each case would have been necessary. The original schedules on which reports are returned do not call for this information, and it was found to be useless to attempt a retabulation of the data.

The mortality reports of the State Board of Health were found to be equally useless for our purposes, and also less complete. They are obtained from the reports of local boards of health, and cover only cities and towns of at least 5,000 inhabitants. They are, therefore, merely a partial duplication of the reports of the Secretary of the Commonwealth.

Finding that it was impossible to obtain a knowledge even of accidental deaths for all lines of industry, the commission next examined the reports of the Board of Railroad Commissioners and the factory inspection department of the District Police. These cover only limited fields, but include non-fatal as well as fatal accidents. Here again it was found that the data were not gathered in a way to make them of any particular value to this commission.

The Railroad Commissioners require all railroads and street railways to report all cases of fatal and serious injuries due to accidents. Shop accidents are not called for, and in most cases are probably not reported. The word "serious" is obviously susceptible of a variety of interpretations. The railroads, accustomed to make reports to the Interstate Commerce Commission, which requires a report in every case where the injury results in disability of at least three days, probably make fairly complete returns to the Board; but the reports of the street railways were found to be entirely inadequate and lacking in uniformity.

But even if these reports had been accurate and complete, they would have been of little value for the purpose of determining costs, as there is nothing in them to show the length or seriousness of disability in non-fatal, or the fact of dependency in fatal, accidents.

Practically the same difficulties were found to exist in regard to the statistics prepared by the District Police. The law requires all manufacturers and proprietors of mercantile establishments to

send to the Chief of the District Police a written notice of any accident to an employee while at work, which results in death or at least four days' disability. No schedules or blanks are provided for the use of those making such reports, and, as a result, the reports contain very little information that can be tabulated. As reports must be made immediately after the occurrence of the accidents, it is impossible in many cases to know how long the disability will continue or how serious the injury is. An independent investigation made by this commission seems to show that not over 50 per cent. of the accidents which the law requires to be reported are actually reported. The cases are tabulated under the three heads of "killed," "seriously injured," and "slightly injured." The determination of the classification of non-fatal accidents is largely a matter of estimate, and as no system of supplemental reports is provided for, the extent of disability is absolutely unknown.

Failing to obtain what it desired from these public sources, the commission turned to the liability insurance companies for information upon which to base an estimate of costs. It soon became evident that these companies had no figures that would be of any particular value in this matter, and it was impossible for the commission to do more than make a test investigation in the office of one company. It was found that up to the present time there has been no attempt to ascertain the extent of disability in non-fatal cases, or the number of dependents and degree of dependency in fatal cases. The main object of these reports has been to determine the question of liability under the law; and the same is true of all subsequent investigations by inspectors or adjustors. The weakness of this system of reports has recently been demonstrated in New York, where the insurance companies have not had the data to determine what premiums they can safely charge under the new compensation law, which went into effect in that State, Sept. 1, 1910.

It became apparent, as these various sources failed to yield results, that a new line of investigation would have to be undertaken. The commission was able to secure the co-operation of about 120 representative employers in about 40 different industries. Schedules¹ were sent to these employers upon which to

¹ See Schedule A, appended hereto.

make weekly returns for a period of ten weeks, from September 12 to November 21, of all accidents occurring in their plants or upon their premises. This investigation was limited in two ways: (1) as to the period covered; and (2) as to the proportion of the industry covered; but the selection was so made as to be representative of large and small employers and city and country conditions, and to afford a sufficiently broad basis to be fairly representative of the whole industry in each case. The proportions vary a good deal in different lines, but the reports received cover from 20 to 30 per cent. of the employees in the industries under consideration.

This investigation closed on the 20th of November, so far as the reporting of accidents was concerned; but supplementary reports, showing how long disability continued, were received up to December 19.

A primary tabulation of the returns from this investigation, appended hereto, shows that, out of 2,849 accidents reported, 3 were fatal; and of the non-fatal, 2,358 resulted in disability of not over two weeks. In 135 of the remaining 308 cases the exact period of disability could not be determined accurately at that time, owing to the fact that many of the injured employees had not reported for work; but in all but 7 instances it is practically certain that disability lasted more than two weeks. This unknown class can be very materially reduced by subsequent inquiries, if this investigation is continued.

In order to ascertain the cost of the present system of dealing with industrial accidents in this State, it seemed desirable to undertake another investigation. In carrying out this idea a schedule¹ calling for the amounts expended by employers during the year 1909 for insurance of various kinds, in the settlement of claims and in voluntary aid to injured employees and their families, was sent to over 1,200 of the employers of the State on October 17, and was made returnable on or before November 1. Eight hundred and twenty-five schedules have been received at this time, and of these, 734 contained full and satisfactory data. It is, of course, realized that this investigation is merely representative in its character; but the results are fairly satisfactory, because the investigation covers a complete year, and a very large proportion

¹ See Schedule B, appended hereto.

of the employers doing business in the State. A tabulation of the results of this investigation is appended hereto.

In Table I. the results of the ten weeks' investigation of accidents in about 120 establishments in this Commonwealth are set forth in such a way as to show the proportion of cases that would be entitled to compensation under a law providing for a waiting period of two weeks. It should be noted that the exact length of disability could not be determined in 135 cases at the time the tabulation was undertaken. This number is made up of two classes of cases: namely, serious injuries occurring at various times during the reporting period; and slighter injuries which occurred near the close of that period. This table and the investigation which provided the data for it are of interest chiefly for the purpose of indicating what must be done on a larger scale in order to secure an adequate basis for estimating the cost of a compensation act.

It is worthy of note, however, that less than 11 per cent. of the accidents reported were of a character to require compensation. There is reason to believe that this proportion would have been somewhat smaller if all the concerns had reported every trivial accident; but the experience of some large companies which have studied their own accidents over long periods of time seems to indicate that this proportion is approximately correct.

The first column of this table is included in order to indicate to what extent the figures resulting from the investigation are representative of the various lines of industry. It should be noted that the statistics of manufactures are not as complete as census returns, but they represent at least 90 per cent. of the industries covered. They were used because the figures for the thirteenth census are not yet available. The rapid growth of some lines of business during the past three years accounts for the disproportionate number of employees in the two columns in several instances.

TABLE I.—*Showing Period of Disability in 2,849 Accidents.*

INDUSTRIES.	State Statistics of Manu- factures, 1908. Average Number Em- ployees.	REPORTS RECEIVED BY COMMISSION, SEPT. 12 TO NOV. 20, 1910.									
		Average Number Em- ployees.	Total Number Accidents.	Fatal Accidents.	2 Weeks and Under.	NON-FATAL ACCIDENTS — PERIOD OF DISABILITY.					Totals.
						OVER 2 WEEKS.					
						Over 2 Weeks, to 4 Weeks.	Over 4 Weeks, to 8 Weeks.	Over 8 Weeks, to 12 Weeks.	Total de- termined.	Not yet de- termined.	
Automobiles,	1,627	1,958	30	-	28	1	-	-	1	1	2
Boot and shoe, cut stock, . .	5,246	1,344	29	-	26	1	-	-	1	2	3
Boots and shoes,	69,250	7,617	24	-	13	4	2	-	6	5	11
Boots and shoes, rubber, . .	6,835	5,515	33	-	32	1	-	-	1	-	1
Boxes, paper,	2,915	392	7	-	5	-	-	-	-	2	2
Boxes, wooden,	3,155	180	8	-	7	-	-	-	-	1	1
Carpets and rugs,	4,416	3,401	44	-	36	4	2	-	6	2	8
Chemicals,	1,047	230	7	-	6	1	-	-	1	-	1
Confectionery,	4,786	2,111	29	-	25	3	-	-	3	1	4
Cordage and twine,	2,604	4,429	40	-	34	3	-	1	4	2	6
Cotton goods,	90,935	32,929	219	1	163	25	7	-	32	23	55
Dyeing and finishing,	7,069	1,921	25	-	21	2	-	-	2	2	4
Electrical apparatus,	10,538	15,818	283	1	249	9	5	1	15	18	33
Emery wheels,	442	608	18	-	18	-	-	-	-	-	-
Firearms,	2,091	500	4	-	4	-	-	-	-	-	-
Foundry and machine shops, . .	31,112	16,312	590	-	539	24	7	1	32	19	51
Furniture,	5,871	1,141	8	-	7	1	-	-	1	-	1
Hats, felt,	1,614	2,075	7	-	4	2	1	-	3	-	3
Hosiery and knit goods,	9,140	4,900	14	-	10	2	1	-	3	1	4

Table II. shows the cost to 734 employers of the present system of providing for the victims of industrial accidents in this State. It will be noted that these establishments were in most cases large ones, as the average number of employees is 271; while the average for the 5,969 establishments covered by the Statistics of Manufactures of the Massachusetts Bureau of Statistics is only 85.

Of the 734 establishments, there were 59, with 10,976 employees, which carried no liability insurance. The cost of claims and suits to these uninsured employers was \$23,705. Deducting this amount from the net cost as it appears in the table under that heading leaves \$133,144 as the amount which insured employers expended in excess of premiums in meeting their legal liability.

The total amount expended for all purposes in connection with accidents, exclusive of the sums refunded by insurance companies, was \$483,405.18. This means an average cost of 42 cents per \$100 of pay roll. It would not be safe to compute rates for all of the industries contained in this table, because of the small figures involved and the consequent liability to error, due to exceptional occurrences during the year in question; but three important industries in this State, with a proportionately large representation in this table, should be noted. Boots and shoes show a rate of 13 cents per \$100 of pay roll; cotton goods, 24 cents; and foundries 40 cents.

TABLE II. — Showing Cost of Industrial Accidents in 734 Establishments during 1909.

INDUSTRIES.	STATE STATISTICS OF MANUFACTURES, 1908.		REPORTS TO COMMISSION, OCTOBER-DECEMBER, 1910, FOR YEAR 1909.				
	Number Estab- lishments.	Average Number Em- ployees.	Number Estab- lishments.	Average Number Em- ployees.	AMOUNTS PAID FOR —		
					Wages.	Insurance.	Employees' Benefit Association.
Boot and shoe, cut stock,	201	5,246	37	3,353	\$1,880,297 27	\$5,283 02	\$40 00
Boot and shoe findings,	113	2,429	10	875	304,089 75	1,029 70	—
Boots and shoes,	413	69,350	77	33,906	20,240,681 63	26,202 34	180 00
Bread, etc.,	258	3,418	27	1,369	769,901 34	3,204 86	14 50
Carrriages and wagons,	83	1,290	10	655	464,802 82	1,481 63	—
Clothing, men's,	148	4,083	15	1,401	734,880 65	1,437 07	50 00
Clothing, women's,	128	5,083	10	1,043	481,563 80	1,331 19	—
Confectionery,	83	4,786	10	2,724	942,210 64	2,376 79	100 00
Cotton goods,	154	90,935	27	20,018	7,278,234 89	16,467 53	—
Foundry,	519	31,112	76	21,944	13,237,384 20	35,117 29	—
Furniture,	96	5,871	14	2,309	1,251,977 31	3,490 97	625 00
Jewelry,	129	6,691	18	2,459	1,565,151 36	2,628 04	—
Leather,	121	9,227	12	2,073	1,278,032 78	3,311 56	1,000 00
Lumber and planing mill,	116	2,112	16	2,703	1,730,277 17	21,269 47	—
Monuments and tombstones,	122	3,458	12	316	290,404 52	957 29	—
Tobacco, cigars, etc.,	140	3,175	17	2,691	1,895,731 09	895 32	—
Tools,	74	3,620	11	2,200	1,410,635 57	2,880 13	100 00
Woolen and worsted,	163	41,969	14	2,888	1,320,535 98	2,321 24	—
Miscellaneous,	2,902	214,534	321	94,009	56,998,020 33	117,848 73	2,302 59
Totals,	5,909	506,275	734	198,936	\$114,034,803 10	\$248,072 17	\$4,412 09

TABLE II. — Showing Cost of Industrial Accidents in 734 Establishments during 1909 — Con.

INDUSTRIES.	REPORTS TO COMMISSION, OCTOBER-DECEMBER, 1910, FOR YEAR 1909 — CONCLUDED.					
	AMOUNTS PAID FOR — (Concluded)			AID TO INJURED EMPLOYEES.		
	CLAIMS OR SUITS.			Totals.	Refunded by Insurance Companies.	Net Cost.
	Totals.	Refunded by Insurance Companies.	Net Cost.			
Boot and shoe, cut stock,	\$50 00	\$25 00	\$25 00	\$487 33	—	\$487 33
Boot and shoe findings,	50 00	25 00	25 00	—	—	505 85
Boots and shoes,	242 00	242 00	—	940 80	\$434 75	49 00
Bread, etc.,	150 00	—	150 00	49 00	—	—
Carrages and wagons,	—	—	—	9 00	9 00	—
Clothing, men's,	25 00	—	25 00	15 00	—	15 00
Clothing, women's,	136 00	136 00	—	551 00	78 50	472 50
Confectionery,	—	—	—	1,291 71	397 22	894 49
Cotton goods,	2,524 20	1,223 80	1,300 40	16,853 09	868 37	15,984 72
Foundry,	395 00	395 00	90 00	697 60	151 60	546 00
Furniture,	485 00	—	25 00	378 00	8 00	370 00
Jewelry,	175 00	150 00	—	675 50	456 50	219 00
Leather,	—	—	—	152 00	—	152 00
Lumber and planing mill,	534 90	98 73	436 17	5 00	—	5 00
Monuments and tombstones,	—	—	—	10 00	10 00	—
Tobacco, cigars, etc.,	38 00	—	38 00	554 00	321 00	233 00
Tools,	—	—	—	338 15	72 90	265 25
Woolen and worsted,	5 00	3 00	2 00	59,881 38	6,008 96	53,872 42
Miscellaneous,	160,900 61	6,167 82	154,732 79	—	—	—
Totals,	\$165,315 71	\$8,466 35	\$156,849 36 ¹	\$82,888 36	\$8,816 80	\$74,071 56

¹ Of this amount, \$23,705 was paid by the establishments which carried no insurance.

Owing to unexpected circumstances, the commission has been unable to submit an act. In order to draft an act based upon such information as the commission has now in its possession, at least two months' more time would be required.

The commission does not feel justified in submitting the foregoing report without expressing the conviction that further investigation and study should be undertaken before a measure is submitted for enactment. It is the unanimous opinion of the commission that another year should be devoted to such a study, before a final report is made. This opinion has been reached much to the regret and contrary to the original belief of the commission.

The commission has been greatly impressed by the pronounced opposition of both employers and employees to the tentative draft of a compensation act recently published. It believes that a considerable part of this opposition will be overcome by further consideration and study of the question.

A frequent objection to a compensation law providing adequate relief for the victims of industrial accidents is based upon the fear that such a measure will impose an undue burden upon the industries of this State, in competition with those of other States. The commission recognizes that, with the present knowledge of the nature and extent of industrial accidents, it is impossible to answer adequately the query as to the probable cost of any form of compensation act. The commission feels, however, that an act can be devised which shall provide adequate and speedy relief at a cost not greatly in excess of the present expenditures of employers for legal liability and voluntary aid to injured employees. Investigations already made point in this direction, but statistics for a year are necessary, in order that safe conclusions on this point may be reached.

It would probably be possible, before the end of another year, to bring about a considerable degree of uniformity in the legislation to be enacted in the several States now considering the matter. Substantial progress along this line has already been made, but further conferences and comparison of measures should be undertaken, if full advantage is to be derived from the work already done. Several agencies are at work which will aid in the accomplishment of this result. One of these is the Conference of Commissions on Uniform State Laws, which will meet next August.

A committee of this conference, which has been in active co-operation with this commission and other similar bodies, will prepare a bill for presentation at the next conference. It is well known that the commissions on uniform State laws have been very successful in securing the passage of uniform laws in many States.

Another factor in the situation is the Federal Commission, appointed at the close of the last session of Congress, which is required to report in December, 1911. The report of this commission should have much weight in determining the character of State legislation.

A large number of investigations of foreign laws and the results of their operation have been in progress during the past year, and the material gathered in this way will soon be available in the form of statistical reports. The most important of these prospective sources of information is the forthcoming report of the United States Bureau of Labor. The State department of the federal government has also conducted a thorough study of the practical working of various European systems through its consular agents, whose reports are now accessible in the Consular Bureau. These and many other reports will afford fresh material which has heretofore not been available.

The hearings of the commission have afforded evidence of a growing feeling that some new system of insurance should be provided in connection with, or instead of, a compensation act, in order to safeguard the payment of compensation to employees and to lessen the cost of operation. This is a question which has been of great interest to the commission, but which it has not had the time to study adequately.

For the foregoing reasons, the commission believes that another year of study and investigation will result in the submission of an act which should prove more adequate to the needs of the situation and be more equitable to employees and employers than any act which could be prepared by the commission now, based on the information at present available.

If this suggestion is adopted, the commission recommends the passage of a law requiring every employer of labor in the Commonwealth to report every accident to an employee in his em-

ployment during the coming year. These reports should be made directly to the commission on blanks provided for that purpose, and should cover such points as the commission may hold to be necessary for its purposes.

Respectfully submitted,

JAMES A. LOWELL,
Chairman.
AMOS T. SAUNDERS,
Secretary.
MAGNUS W. ALEXANDER.
HENRY HOWARD.
JOSEPH A. PARKS.

SCHEDULE A.

(To be made out promptly for any injuries by accident arising out of and in the course of the employment of the injured.)

456 REPORT OF ACCIDENT.

Name and Location of Firm.....
Number of Employees.....

Injured Employee:

Name Male Age
..... Female
Home Address.....
Nationality..... Average Wage per Week \$.....
Single, Married or Widowed. Number of Children under 16 Years of Age.....
(Cross out two words.)
Occupation when Injured.....
How Long Employed in Such Occupation.....
How Long Employed with Present Firm.....
Name of Machine or Tool by which Injured.....

Injury:

Date and Hour of Accident.....
Nature of Injury.....
Did Injury Prevent Continuance of Work?..... Probable Period of Disability..
Description of Accident.....
.....
.....

Report Made Out by.....
Date..... Whose Position is.....
.....

456 Supplementary Report of Accident.

(To be detached and forwarded when injured person returns to work.)

Name of Injured Employee.....
Has Injured Returned to Work?..... When?.....
If Injured has not Returned to Work on or before November 21, 1910, State Why
.....
Date..... Report Made Out By.....

SCHEDULE B.

Firm,.....Address,.....
 Business,.....
 Average number of employees in 1909,.....
 Total wages paid in 1909, \$.....

EXPENSES ON ACCOUNT OF ACCIDENTS TO EMPLOYEES IN 1909.

Amount Paid for Insurance:

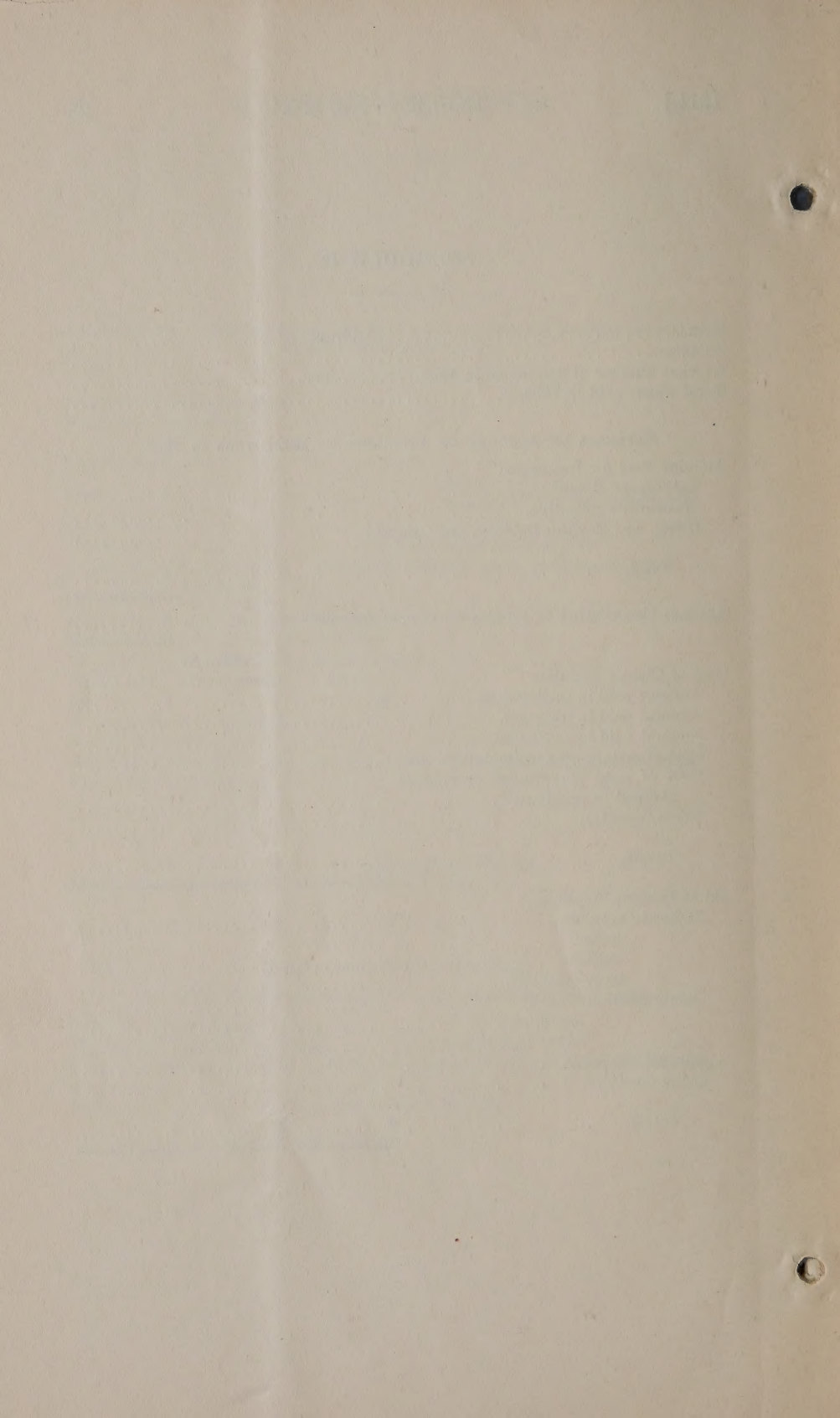
Employers' liability,	\$.....
Workmen's collective, . . . . .	.....
Other, <i>e.g.</i> , elevator liability, etc. (specify), . . . . .	.....
 Total,	 \$.....

Amount Contributed to Employees Benefit Association,	\$.....
--	---------

Cost of Claims or Suits:	Total.	Refunded by Insurance Co.	Net Cost.
Amount paid in settlements, . . . \$.....	\$.....	\$.....	\$.....
Amount paid in damages,
Amount paid in court fees,
Cost of maintaining claim department,
Cost of legal department or counsel charged to accidents,
Other (specify),
 Totals,	 \$.....	 \$.....	 \$.....

Aid to Injured Employees:

Medical: first aid,	\$.....	\$.....	\$.....
doctor, . . . . .	.....	.....	.....
hospital, . . . . .	.....	.....	.....
other (specify), . . . . .	.....	.....	.....
Compensation: wages,
pensions,
other (specify),
Funeral Expenses,
Other (specify),
 Totals,	 \$.....	 \$.....	 \$.....







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